

## PJSC 'Novorossiysk Commercial Sea Port' (NCSP)

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### NCSP Group's consolidated cargo turnover for 8 months of 2019 totaled 97.6 million tons

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**NCSP Group (LSE: NCSP, MOEX: NMTP) informs, that the normalized cargo turnover of NCSP Group (with the sale of NGT LLC taken into account) for 8 months of 2019 grew by 7.9% against 2018.** (Normalized indicators of NCSP Group's cargo turnover for 2018-2019: the grain turnover through NGT LLC and Berth No. 3 from May 1, 2018 to December 31, 2018 are not taken into account in the transshipment volume.)

#### Key drivers

- Increase in crude oil transshipment volumes (+23%) amid the general growth in export of this raw material from Russia.
- Growth in chemicals transshipment volumes (+22.4%) due to increased shipments of hazardous mineral fertilizers to South and North America, as well as of non-hazardous mineral fertilizers to the Middle East countries.
- Increase in iron ore raw materials transshipment (+25.1%) due to high export activity.

#### Liquid cargoes

In January-August 2019, liquid cargo transshipments at NCSP Group's terminals grew by 15% or 10,159 thousand tons compared to the same period last year and totaled 77,814 thousand tons.

Crude oil transshipment volume totaled 53,449 thousand tons in January-August 2019. Compared to the same period in 2018, the increase was 23% (9,998 thousand tons), which is 10.2 p.p higher than the industry rate. The volume of oil products transshipment raised by 0.8% or 177 thousand tons to 23,619 thousand tons.

In January-August 2019, the volume of liquid fertilizers (UAN) and seed oils transshipment decreased by 2.3% and 1.8%, respectively.

At its seed oil transshipment terminal (launched in November 2018), IPP LLC shipped 218 thousand tons of seed oils in January-August 2019.

#### Bulk cargoes

In January-August 2019, the normalized turnover of bulk cargo at NCSP Group's terminals (with the sale of NGT LLC taken into account) had a decrease of 17.4% compared to January-August 2018, and totaled 6,707 thousand tons.

Iron ore raw materials turnover grew by 25.1% or 409 thousand tons to 2,041 thousand tons against the backdrop of high export activity.

Coal transshipments decreased by 10.2% y-o-y to 945 thousand tons due to unfavorable conditions on foreign markets in 2019.

The turnover of chemical products grew by 22.4% or 89 thousand tons and amounted to 487 thousand tons.

Raw sugar turnover was up 2.1 times or 251 thousand tons and reached 373 thousand tons.

The volume of grain and other ore cargoes transshipment decreased by 43.7% and 4.3%, respectively.

#### General cargoes

In January-August 2019, general cargo transshipments at NCSP Group's terminals decreased by 12.2% or 1,221 thousand tons, totalling 8,794 thousand tons.

Ferrous metals and cast iron transshipments had a decrease of 1,007 thousand tons (-11.2%), amounting to 7,955 thousand tons due to the introduction of custom duties on imports of ferrous metals to the USA, as well as poor conditions on foreign markets and high prices on domestic markets. The overall decrease for the industry was 11.5%.

Timber cargo transshipments dropped by 7.7% or 15 thousand tons to 186 thousand tons.

The volume of nonferrous metals transshipment decreased to 613 thousand tons (by 10.7%). Perishable cargoes turnover amounted to 39 thousand tons.

#### Container turnover

In January-August 2019, container turnover through NCSP Group's berths amounted to 4,169 thousand tons, which is 1.7% less than the transshipment volume for the same period last year. Cargo turnover in twenty-foot equivalent increased by 19 thousand TEU to 445 thousand TEU or by 4.4%.

#### Other cargo

In January-August 2019, transshipments of other cargoes at NCSP Group's terminals totaled 144 thousand tons, which is a 70.7% decrease as compared to the same period of the previous year.

**Normalized cargo turnover of NCSP Group for January-August 2019/2018 in thousand tons  
(with the sale of NGT LLC taken into account)**

|                                | January-August |               | Change        |               |
|--------------------------------|----------------|---------------|---------------|---------------|
|                                | 2019           | 2018          | thousand tons | %             |
| <b>Cargo turnover, total</b>   | <b>97,628</b>  | <b>90,519</b> | <b>7,110</b>  | <b>7.9%</b>   |
| <b>Liquid cargo, total</b>     | <b>77,814</b>  | <b>67,655</b> | <b>10,159</b> | <b>15.0%</b>  |
| Crude oil                      | 53,449         | 43,451        | 9,998         | 23.0%         |
| Oil products                   | 23,619         | 23,443        | 177           | 0.8%          |
| UAN                            | 516            | 528           | -12           | -2.3%         |
| Oils                           | 230            | 234           | -4            | -1.8%         |
| <b>Bulk cargo, total</b>       | <b>6,707</b>   | <b>8,117</b>  | <b>-1,410</b> | <b>-17.4%</b> |
| Grain                          | 2,628          | 4,670         | -2,041        | -43.7%        |
| Chemical cargo                 | 487            | 398           | 89            | 22.4%         |
| Sugar                          | 373            | 122           | 251           | 205.8%        |
| Iron ore raw materials         | 2,041          | 1,631         | 409           | 25.1%         |
| Other ore cargo                | 233            | 243           | -11           | -4.3%         |
| Coal                           | 945            | 1,053         | -107          | -10.2%        |
| <b>General cargo, total</b>    | <b>8,794</b>   | <b>10,016</b> | <b>-1,221</b> | <b>-12.2%</b> |
| Ferrous metals and cast iron   | 7,955          | 8,962         | -1,007        | -11.2%        |
| Timber                         | 186            | 202           | -15           | -7.7%         |
| Timber (thousand cubic meters) | 339            | 367           | -28           | -7.7%         |
| Nonferrous metals              | 613            | 686           | -72           | -10.6%        |
| Perishable cargo               | 39             | 166           | -126          | -76.2%        |
| <b>Containers</b>              | <b>4,169</b>   | <b>4,239</b>  | <b>-70</b>    | <b>-1.7%</b>  |
| Containers                     | 4,169          | 4,239         | -70           | -1.7%         |
| Containers (thousand TEU)      | 445            | 426           | 19            | 4.4%          |
| <b>Other</b>                   | <b>144</b>     | <b>492</b>    | <b>-348</b>   | <b>-70.7%</b> |

**NCSP Group** is the largest port operator in Russia by cargo turnover. Its controlling shareholder (62%) is PJSC Transneft. NCSP Group is traded on Moscow Exchange (NMTP) and London Stock Exchange as global depositary receipts (NCSP). NCSP Group's consolidated cargo turnover for HY 2019 totaled 71.75 million tons. The Group's consolidated revenue as per IFRS totaled USD 2018 million in 2018. NCSP Group is comprised of PJSC Novorossiysk Commercial Sea Port, Primorsk Trade Port LLC, JSC Novorossiysk Ship Repair Yard, JSC NCSP Fleet, JSC NLE, IPP LLC, NCS LLC, Baltic Stevedore Company LLC, and SFP LLC.

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